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Problems of the Prairies



By
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FOREWORD.

It was not the intention when this little booklet was written during the past summer to have treated the subjects discussed in any controversial spirit. But since that time, I have received from Eastern Canadian sources, a great many newspaper clippings, ostensibly for the purpose of "educating the Western boy," and, carrying out this idea, I have gone a little deeper into some of the questions than before. Much has been done to educate me to the point of view of the railways regarding freight rates. I have been inundated with literature to bring me to think as does the Eastern Canadian manufacturer. Article after article has been sent to me to show how beneficial the Canadian Banking system is. Under the circumstances I cannot forego the opportunity of replying in this foreword to some of the inundation.

As a preliminary, I may say that the imports into Canada are now very little short of double the exports. The figures handed out by the Ottawa Government on September 13th show that for the previous twelve months the imports of goods into Canada were \$559,320,344 and the exports from Canada were \$315,317,258, and the duty collected \$87,576,036. The duty collected during the current year on imports into Canada will reach \$100,000,000, if it does not surpass this amount, according to the figures being given out month by month by the Federal Government. \$50,000,000 of Customs taxes with the other revenues of the Government are plenty to carry on the affairs of the country. It is an economic crime to tax people struggling as are the Canadian people at the present time under the conditions pointed out, with practically double the customs taxes that are required. No other country does it or has ever done it. Neither is there any other country in the world in which the discrepancy between the imports and exports is so great as is the case in Canada. Most of our active competitors, like Australia, the Argentine, Brazil, countries situated in practically the same position regarding development as ours, are exporting quite as great an amount as they are importing—some of them more. There seems to be a continuous iteration of the fact that the Western Canadian farmer is so prosperous and has been a beneficiary to so large an extent of Eastern Canada that it is ingratitude of the blackest type to raise his voice in protest against anything that Eastern Canada chooses to do to us. This idea is contained in an article which recently appeared in the Montreal "Financial Times." It says with great unction, speaking of the banks, railways, and manufacturers; that "none of these classes or institutions, not even the most brilliantly successful, are making money faster than the ordinary farmer or business man of the West, and some of them took much larger chances originally than he is taking."

Now let us examine this question a little. I have traveled over a large part of the wheat-growing district of Western Canada during last summer, from the extreme southeast to the very northern-

most part in which grain-growing is carried on. I have interviewed farmers in the very oldest and best grain-growing localities and in the very newest, and, with the exception of a very few scattered and very much favored parts, and a few individuals of extraordinary capacity, I have found that during the years 1907, 1908, 1910 and 1911, wheat-growing has not been carried on in the Province of Saskatchewan with profit, and, in a large number of cases, at a great loss; that many farmers are in worse circumstances now than they were at that time, and that the farmers who have devoted their attention to wheat-growing are not in any better circumstances than they were five years ago, apart from the increase in the value of their lands. The crop of 1909 was very profitable, and the crop of 1912 will likely be so too, if it can be marketed in anything like a reasonable time. These are facts any person can find out by consulting the banking institutions, the large implement concerns, or the loan companies, who know perfectly well that the accumulation of debt among the wheat-growers during this time has been enormous and appalling.

Wheat was not grown at a profit last year in Saskatchewan, and yet the Canadian Pacific Railway made 100 per cent. on every train load of wheat it hauled from Moose Jaw and east to Fort William. A friend of mine, who has gone into this matter very thoroughly, assures me that for the last five years the Canadian Pacific Railway has made over 50 per cent. per annum, on all the money it has invested in capital stock in the lines between Fort William and Moose Jaw, including branch lines. These are concrete statements of facts which can very readily be ascertained to be true or otherwise.

I know of some of the best townships in the Province of Saskatchewan, which, within the last two years, have been supplied with two railways, where the crops this year were as fine as any I ever saw, and still in these townships there are not as many settlers as there were in the year 1906. This condition of affairs can be found in many other places in the Province. There are not as many settlers coming from England as last year and settling on the land, nor are there as many from the United States. I do not think there are as many people on farms this year as last.

A statement has been sent out from Eastern Canadian sources showing the amount of cotton goods made in Canada during the last year, and the sum paid in wages. I have gone a little further into the matter and have found out the amount that was not only paid for wages, but for raw material as well, and the result is that the manufacturing profit has been 60 per cent. as great as the amount paid for wages, for cost of administration, and for raw material; and this condition of affairs exists in a great many other industries besides that of cotton. I know of no country in the world today, after having given some considerable study to this matter,

where the manufacturers have such a cinch as those of Eastern Canada at the present time.

I have gone over the whole list of Canadian exports, and those which Canada is likely to be able to increase very materially during the next few years are grain and wood products, and pulp. If she cannot balance her imports and exports, largely by the augmentation of the production of these articles, she is not likely to do it at all, as long as the imports remain at anything like the same amount as at present. It is, therefore, most important that every possible encouragement by the Government and by every institution should be given to the Canadian wheat-grower.

Take one article—threshing machinery. The Canadian farmer pays from 20 to 25 per cent. more for this plant than his American neighbor. There is not a reasonable man on earth but what must feel that this is an outrage under the circumstances, and yet the Canadian Government has recently increased the duty on threshing machinery by the simple expedient of increasing the valuations on these machines, and, by another expedient, farmers have been compelled to pay a higher price for the lumber in their granaries and shacks than heretofore. The ordinary farmer does not use cement. He cannot afford it.

The farmers of Saskatchewan, encouraged and partly financed by the Government of the Province, have built a line of elevators, numbering about 150 up to the present time. By careful management they have been very successful in their operations. It is contemplated to extend this line of elevators all over the Province, and that the farmers in their corporate capacity shall do their own exporting and selling. They had in fact made arrangements to do something along this line this year. It was necessary to get some banking credit for the purpose. I am told, on good authority, that they were refused this assistance by the Canadian banks, and had to go to the United States to get the necessary banking accommodation to market and carry their own wheat.

The Government of Canada allows the Canadian banks to issue about \$100,000,000 of paper money—what is called asset currency, or what, in the old days, was known as rag money. This is a privilege that is given to the banks of no other country in the world. It means an enormous profit to the stockholders of the banks. If the Government of Canada retained this privilege for the benefit of the people to whom it belongs, it would be able to build a Canadian Navy, and the profit derived therefrom would go largely to maintain it. This privilege automatically ceased two years ago. It has been renewed from year to year since. I predict that it will be again presented to the banking fraternity during the next session of Parliament for another ten years; and, at the same time, the people of Canada will be asked to contribute millions of dollars to the support of a navy and to pay therefor in such a way, that it will add to the already high cost of

living. I am strongly in favor of a Canadian Navy, and believe that the burden thereof should be borne by those who can afford it, and not wrung from the necessity of the poor.

AS CANADA ASSUMES THE FULL DUTIES OF NATIONHOOD THE COST INCIDENT THERETO MUST BE BORNE, AS IN OTHER COUNTRIES, BY WEALTH, AND IN THE FORM OF INCOME TAX. ALL EUROPEAN COUNTRIES HAVE IT. THE UNITED STATES WOULD HAVE HAD IT YEARS AGO ONLY THE SUPREME COURT DECLARED IT UNCONSTITUTIONAL. BOTH POLITICAL PARTIES IN THAT COUNTRY ARE NOW IN FAVOR OF IT.

It is no argument to answer these statements by saying that those who put them forward are demagogues and agitators, for that only makes matters worse. It has been established by the Canadian Pacific Railway's figures that its charges for the same service in Western Canada are nearly double what they are in Eastern Canada. If a man is a demagogue for finding fault with this condition of affairs, would he be a demagogue if rates were three times as high in place of double, or, at what particular stage of exaction would he cease to be a demagogue for calling attention to the outrage?

Man for man, the people of Western Canada are more intelligent and more capable than the people of Eastern Canada. They work harder and they accomplish more. They do not want to see the results of their labor taken from them by exactions on the part of any interest, whether it be financial, manufacturing or transportation. They have been compelled to stand for it up to now, but they are not going to do so much longer. That may as well be understood. Under our system of government they have the remedy in their own hands. It is only a question of using the weapons that they possess to obtain the justice and fairness which have been denied them.

J. H. HASLAM.

Halbrite,

Saskatchewan.

October, 1912.

Problems of the Prairies

Saskatchewan is a stretch of country, that is, perhaps, unsurpassed in the world for the production of the staple articles of wheat, flax, oats, and barley. In fact, during its short history, no new country has given such favorable results in the production of these grains. The people of no other country, during any period of its growth, have so quickly brought such large tracts of land under cultivation. Nor is there any other part of the American continent which has such immense areas of uninterruptedly fertile soil as the Province of Saskatchewan. The land is almost uniformly of good quality. There is very little waste land in central or southern Saskatchewan. What was formerly looked upon as arid land, only suitable for grazing, has now been demonstrated, by the experience of settlers, to be well adapted to the production of all kinds of cereal crops. The farmers of Saskatchewan have shown that grain can be grown successfully with very much less rainfall than was before thought to be possible. While the absence of sufficient moisture was considered at first to be a great drawback to successful agriculture in Saskatchewan, it is now demonstrated that this is not the great drawback, but the tendency to summer frost. Were it not for this difficulty, the farmers of Saskatchewan would have, perhaps, as favorable conditions in which to grow the crops above mentioned as any district in the world. They are, however, fast overcoming even this difficulty by the development of earlier ripening grains, and it is quite within the range of possibility that from ten to fifteen days will be taken from the time that a year or two ago was thought necessary to ripen grain. If the harvesting season could be advanced by two weeks from the 1st to the 10th of August in place of from the 15th to the 25th, it would mean that the farmer could get his crops harvested before they would be injured to any extent by summer frosts.

There are many problems in this Province to be solved; and there are many evils to be remedied; but it is not desirable to pull down a system which has been built up after so many years of experience; for, nothing is so fatal to prosperity as disorder. All improvements must come gradually and pass through the acid test of experience. Remedies and solutions which, in themselves, are unquestionably beneficial, may, with unskilled and untried operation, work more harm than good.

POPULATION.

The greatest problem the statesmen and leaders of public opinion, who have the guidance of public affairs in Western Canada, and particularly in Saskatchewan, have before them is to devise methods whereby the Province shall be populated as quickly as possible, and to enable that population to make the best possible use of the natural resources of the Province, and receive to the highest possible extent, the reward of their labors, and a full measure of the wealth they have created. It is needless to say that, under present conditions, the people of the prairies do not receive the full reward of their labors, nor do they get a fair share of the wealth they create. There are a great many reasons for this. Some people attribute it to the tariff. Others claim that it is because of the very clumsy and inefficient methods in operation for the distribution of goods, whereby the cost of getting the product of labor into consumption is quite as great as the cost of producing it; and, on the other hand, that the goods that are consumed in this country cost to the purchaser an amount quite double that received by the labor and capital that is necessary to their production. The very high freight rates in and into this Western country is also given as a reason why the farmers do not receive the proper reward of their labor. Then again there is the scarcity of capital, and the very high rates of interest which prevail in this Province, which are likewise contributing causes. But whatever the causes are, it is certain that the farmers of these Provinces are, as a rule, discontented at the present time. They feel that they are badly treated; that the services they render to the community are not sufficiently remunerated, and what they receive from the transportation and business interests are charged to them at an excessive cost.

Saskatchewan has an extent of territory somewhat larger than the German Empire. It is practically in the same degrees of latitude. There is very little doubt that, so far as natural resources are concerned, Saskatchewan has the advantage. The soil is certainly richer, and, while the winters may be more severe, there are a great many advantages which more than counterbalance this drawback, if it is one. Yet the German Empire has more than one hundred times the population of Saskatchewan.

The great, all-absorbing need, therefore, of this Province, as has been pointed out, is population. The Province has made wonderful progress in this direction during the last decade. The lure of free lands has been very seductive. It has attracted to the prairies settlers who are, in many cases, not very well adapted to agriculture, and do not intend to make it their life's work. The object of a great many of these people—too many, it is feared—is to secure patents for their homesteads, turn them into cash as quickly as possible, and go back to the cities from which they came, or to a place where the conditions of life are more congenial to them than the hard, grinding, lonesome life of a prairie grain-grower. Even among the best of the early settlers, there are

too many people who are improving their farms, planting trees, etc., not for the purpose of establishing permanent homes, but for making their farms more saleable. This applies to the oldest settled parts of the Province and to the very newest. It may be due to a combination of causes—the hardships farmers have to endure, the high prices they have to pay for everything, and the consequent smallness of their net returns. In the main, these are the reasons. But the desire on the part of the people to get into the larger cities and enjoy more of the benefits of modern civilization than they find on the farm, is also a contributing cause. This question of population has a further bearing.

The Government will not only have to get settlers on the unoccupied land but make the conditions more tolerable for those who are on the farms; and, if people are determined to leave, to have others ready to take their places. The present methods of promoting immigration have been successful to a certain point, but a great many districts in Saskatchewan are now in the same position as parts of Manitoba, where a large number of farms are for sale, where the people are restive and anxious to get into other employments, and where there is a general feeling of stagnation, and, on the part of many, even of despair.

If the statistics of the people leaving the country were as well kept as those of the people coming in, the immigration returns would not be nearly so attractive. This was demonstrated at the last census. Anyone who travels on the trains must be impressed by the fact that there appear to be nearly as many people leaving the country as entering. This is particularly true of the trains going back and forth between Canada and the United States.

For the last four or five years the people of the agricultural regions of the North Western part of the United States have not been particularly prosperous. This is because of many reasons. But at present they are exceedingly so. The farmers have an enormous crop, and they are going to receive a very large remuneration for their labor during the present season. If this condition of affairs continues, and there is no reason why it should not, there will be a great era of prosperity for the North Western States, and there will be a still further desire on the part of some of our settlers—many of whom come from the States—to return to their old homes.

The farmers of Saskatchewan have received at their local elevators a price on an average during the last ten years of from 10 to 15 cents, and, last year, 25 cents less for their wheat than their North Dakota neighbors, and even a greater difference for their other produce; and, on the other hand, have paid about 20 per cent. more on an average for their implements, and they are dissatisfied with this state of affairs.

The history of the development of the North West of the United States is that a great many of the original settlers left the farms, and it was those who came after them that made permanent success. It looks as if this is going to be true of Canada as well. In few

parts of the Province is it true that there are not a large number of homesteads for sale. This can only be remedied by starting a propaganda amongst the people of Europe, both in the British Isles and on the Continent, who are used to hard work on the farm.

The class of immigrants Saskatchewan would be likely to procure are, of necessity, people of small means. Probably they are better educated than their fathers; but are, nevertheless, used to hard farm work. A great number of this class has already settled in the provinces of the Canadian North West during the last few years. Many have been successful, and are still attached to the farms in an altogether different way to that of the wheat-grower, who, usually, is not so attached. Our Government should, therefore, strive to get settlers into the country who will remain in the localities in which they settle, and devote their energies to general farming, as well as wheat-growing. This is going to be a very difficult problem. It is hard to see how it can be done without some scheme of financing the settler, by at least providing him with cheap money for the purpose of procuring his stock and necessary implements.

The Canadian Pacific Railway Company has wisely realized this condition of affairs, and in connection with its natural resources is adopting a scheme somewhat similar to the one outlined.

THE LAND.

While the Province of Saskatchewan has been settled at a faster rate than any other country during any period of its growth, while the land has been brought more speedily under cultivation, and the railways have spread themselves over the country with greater rapidity, much still remains to be done. This very rapid development has left in its trail a condition of affairs that must be corrected before rural life in the Province is made as desirable as it might be.

There is too much vacant land. One cannot but be impressed, in traveling over any section of the country, unless it be in some of the very oldest districts, with the tremendous amount of land still to be brought under cultivation, and, apparently land that, perhaps, is as well adapted to successful and permanent agriculture as any. As it is, only the smoothest and most easily plowed prairie is being utilized, whereas the land that is a little rougher, the valleys, the hillsides, and that adjacent to watercourses, is really the most valuable for permanent agriculture, because it provides natural meadows. A country can never be successful and well rounded out agriculturally without large stretches of grazing land occupied by flocks and herds.

Mixed farming involves continuous labor during the whole twelve months, whether it be dairying, cattle feeding, poultry raising, or any other species of mixed farming. There is no "let up" to it. A great many of the farmers and their wives in Western Canada find their work during the grain-growing season so strenuous, that they have little time or inclination to interrupt it by milk-

ing cows, feeding hogs, and hauling water for these purposes, and desire to take a vacation in the winter time. This condition of affairs brings a great many other difficulties in its train. All the products of mixed farming: milk, butter, cream, cheese, eggs, poultry, small fruits, beef, mutton, pork, etc., are in great demand, and command unreasonably high prices, because the people who should be producers of them are consumers. This cannot quickly be remedied as long as people are engaged in grain-growing exclusively. There must be a systematic effort made to get settlers who are familiar with mixed farming, stock raising, dairying, small fruit growing and truck farming, for the immense areas which are suitable for these purposes, and, perhaps, not very suitable for any other.

Europe is full of just such people, who, if induced, would only be too willing to emigrate. They have, for generations, been trained to this class of work. The conditions under which they live are none too easy. They work hard for small returns. A great many of them are tenants of small holdings, and the annual rental of the land is often as great as they could buy it for here and pay for it in full, and the land itself more fertile, and the produce as high in price.

It is very necessary that the Province of Saskatchewan should reach its best development quickly; and there should be an aggressive campaign carried on to secure such people as these, not only for the purpose of bringing vacant land under cultivation, but to provide a surplus of labor for reaping the tremendous quantity of grain that will be harvested during the next few years, and making the social conditions more attractive.

The introduction of power plowing has been the means whereby such large areas of land have been broken and brought under cultivation in such a very short time. This would have been impossible under the old conditions. The prairie sod here is very tough and hard to break, and requires much more power than some other prairie countries. Breaking, of itself, is considerably more expensive than it was formerly, and cannot be done successfully at a cost of less than \$4 an acre, at the present price of labor.

TRANSPORTATION.

With regard to transportation, the farmers of Saskatchewan are very unfortunate, situated as they are, so far from Atlantic ports, through which a large proportion of their wheat must necessarily be marketed, and, in consequence of which they pay enormous freight rates. By the most economical methods of conveying this grain to market, the cost must be very high, but the charges for conveying grain from the fields to the Lakes at the present time are nearly double those asked by the railways for the same service in Eastern Canada. This cannot continue.

The freight rates situation is now before the Railway Commission for adjustment. But it may be said that the

way in which the railways have exacted "all that the traffic would bear" from Western farmers and producers is generally regarded as a disgrace and an outrage. The rates charged in Western Canada by the Canadian Pacific Railway are about one-fourth greater than this same railway charges in Dakota and Minnesota, where they did not receive any bonus for railway building, and where they pay very high taxes for the support of the institutions of that country—in Minnesota four per cent. of gross earnings. If the rates in Western Canada were fair and reasonable, and on anything like the same basis as they are in Eastern Canada, it is very doubtful if the Canadian Pacific Railway would be so embarrassed with earnings at the present time that they are afraid to distribute them to the shareholders. A rate of 6 per cent. is plenty for any railway to continuously earn. A government that allows more than that to be earned by a railway company is not doing justice to the people who have entrusted it with their interests. When the Hudson's Bay Railway is completed, the people of Western Canada must insist that, having been built by the proceeds of the sale of lands principally in the Provinces of Saskatchewan and Alberta, it shall be operated in such a way as to bring the greatest possible benefit to the grain-growers; that it shall be equipped in such a way as to relieve congestion; that ample storage shall be provided; that no capital cost shall be charged against it, only operating expenses and maintenance; and that at least as low rates shall prevail on it as on the Intercolonial Railway. In fact, if possible, the railway should be placed in the hands of the grain-growers for operation without rental, if they can procure suitable, experienced men to manage it. This would be the most effective method of doing away with present freight rate robbery.

The railways plead that, if they are allowed to charge only fair and reasonable freight rates, they will be unable to procure money sufficient to build the necessary railways in this country. But if the railways were only charged up at the cost of building, in place of being financed by building syndicates, and inflated capital as at present, money could be procured. As things are, it is not on the credit of the railways, excepting the Canadian Pacific Railway, that money is procured, but on that of the communities which the railways serve. If it were not for these guarantees, it is very doubtful if the railways could be financed with the same facility. There appears to be no more difficulty for the Canadian Northern Railway to procure money for building its Eastern lines, which must, of necessity, have to carry freight at ordinary rates, than it is to procure money for the building of their Western lines which charge nearly double as much. The argument of the railways is based on the principle of giving little and getting much.

(This is well demonstrated in the financial policy of the Canadian Pacific Railway, which, during recent years, has adopted a system of obtaining its capital by issuing common stock at a very much less pre-

mium than it is worth on the open market. It could obtain all its capital around 4 per cent. This then is made the excuse for higher freight charges.

CO-OPERATION AND ORGANIZATION.

There are a great many instances where co-operation and organization are needed. Take agricultural machinery. The farmers of the Province of Saskatchewan spend about 20 per cent. more for their agricultural implements than do the neighboring farmers of Dakota, and perhaps 30 per cent. more than the farmers of Iowa. Yet the farmers of both these States are unorganized. With organization and the ability to buy machinery direct from the manufacturers and pay cash therefor, there is scarcely any doubt that it could be bought for very little more than half the price that is paid at the present time. Investigations in the United States have demonstrated that binders are manufactured at a cost of \$75 each. It would appear as though a binder, even at the price at which it is sold in Western Canada, is the cheapest implement that farmers use. Adding a reasonable profit to the cost of manufacture, there is no doubt that a large amount could be saved in this direction. Look at the very wasteful methods which are at present adopted. The manufacturer usually hands over his binder to a great distributing concern, such as the International Harvester Company, or the Cockshutt Plow Company, who are not manufacturers of binders. They in turn sell them to retailers, on time usually, who give the notes they receive from the farmers as payment to the distributing company. They keep a small army of salesmen and collectors on the road traveling at large expense, which is, of course, added to the cost of the binder. The greater part of this money seems absolutely wasted, and detracts so much from the earning power of the purchaser. A discount of from 6 to 10 per cent. is given for cash, but from 8 to 10 per cent. is added to notes. There is no manufacturer, perhaps, who has to make such a large investment in machinery, considering the short time it is in use, as a prairie wheat-grower. There is very little use in multiplying instances of the wasteful methods of distribution under the present system. The farmers will never be content until they are done away with.

Compare this with the very admirable way in which a concern like that of Messrs. Eaton & Co. transacts its business, and it will be seen how great are the benefits of organization, and what would be accomplished in the way of saving by co-operation.

Wasteful as are the methods of buying, equally wasteful and unscientific are the methods of selling. As things are, the bulk of our crop must be sold in Europe. Between the miller who purchases and grinds Saskatchewan wheat and the producer there are often half a dozen middlemen, all getting their profits. Under a proper system of financing and co-operation, a Union of Farmers' Organiza-

tions should be able to sell wheat direct to the millers who grind it in Europe. They should be able to have a continual stock in hand "on the other side" for this purpose. They should have grades of Nos. 1, 2 and 3 Saskatchewan wheat, and take care that none but the best grades are offered for sale, and, in place of receiving less than the grain is worth they should receive the very highest price for it.

This is an age of salesmanship. The produce that is put on the market in the best possible way, that is advertised most extensively and sold with the greatest skill, will bring the highest price.

With co-operation the farmer would be able to procure very much better ocean and land freight rates, and minimise the cost of marketing the crop very considerably.

Then take binder twine. This is a very large item in the expense of raising a crop. There are thousands and thousands of tons of potential binder twine absolutely wasted every year when the stacks of flax straw are destroyed. It only requires organization on the part of the farmers, with the aid of two or three bright men, to get together the accumulated knowledge on this subject to be able to make all the binder twine that is required in the Province at a very much lower price than is now being paid. All the money that is being spent for this purpose could be retained in the Province for the laboring men, and for building up the commerce of the country.

A lesson may well be learned from the organized way in which the Washington, Oregon, and California fruit-growers carry on their operations. Formerly, under the wasteful methods of marketing the crop on the Pacific coast, very little return came to the fruit growers, but they organized, pooled the crop, and appointed selling agents. The result is that the very highest prices are obtained for the produce of these districts. The material purchased by them is likewise bought on the co-operative plan at the lowest possible prices. And the industry from languishing is now very prosperous.

Something, it is gratifying to know, has been done along this line in connection with the Grain Growers Grain Company. This company seems to have been successful in its operations. It appears to have ambitions for the future. It will be successful or otherwise as it is prudently and skillfully managed, and receives the cordial co-operation and support of the farmers. As conditions are, it is naturally meeting with a great deal of opposition from many sources. The ordinary traders and dealers, the privately owned elevator companies, the jobbers in grain, the exporters, the banks financing them, and the whole fraternity who have been fattening on the profits of the grain business, are very dissatisfied. They are doing everything they can to discredit this co-operative enterprise and are trying to wean the farmers from their support of it. The farmers have in this movement the nucleus of an organization which may place them in a very different position to that in which they are at present, and every farmer should join and co-operate with the Grain Growers.

Then there is the question of the storage of grain. Under the present methods the farmers must, by force of circumstances, and by the fact that they have such large bills to pay for machinery, labour, threshing, etc., market their crop immediately after harvest time. This prevents them from doing fall work, which is often necessary to the full success of their next season's farming operations. If the farmers could have storage on the farms for at least half of their grain, they could market it the succeeding season, after the opening of navigation, and there would not be such a tremendous glut in the market as now exists. At that time they could get the benefit of the cheapest possible freight rates both by ocean and rail, and consequently receive very much higher prices for their grain than otherwise. The storage cost would be eliminated altogether, or, at any rate, reduced to its minimum. This applies to all the grain products of the farm.

The same methods that are adopted by a great commercial concern, such as the Standard Oil Company, the United States Steel Trust, or the Meat Trust, should be adopted by a great farming community like that in Saskatchewan. While these corporations have caused hardships, while they have crushed out competition, destroyed the fruits of the labor of a lifetime for many people, pressed their selling advantage to its fullest extent, and exacted the very highest possible price they could receive; and, on the other hand, purchased their goods at the very lowest possible cost, thereby oppressing those who were compelled to sell them, they have, at the same time, taught many valuable lessons, one of which is the benefit of organization. They have been the means of eliminating the wasteful methods which had been in operation before their organization, and blazed the path for enterprises on similar lines.

If these arguments are correct, if these are the methods adopted by the United States Steel Company in the furtherance of its interests, and it is hard to say they are not, then it follows conclusively that the farming community must in self-preservation adopt like methods.

It is surely not the proper condition of affairs that a farming community as young, as energetic, as capable as that of Saskatchewan, possessing a rich virgin soil, and having the benefits of modern machinery and methods, should be in the position in which it finds itself at the present time.

It is true there have been two years of indifferent harvests. Owing to summer frosts the products have been of poor quality, and, on account of restricted markets and high transportation, the farmers have received a price for these two crops which did not more than pay for the cost of seeding and harvesting, and, in many cases, not even that.

But it cannot be denied that there has been a number of good crops, and the older farmers should have been in such a position that, even with these unfavorable seasons, there should not be so much debt and hardship as exists all over the Province now, not

only among the rural population, but amongst the people of the villages depending on the farming community.

The lack of prosperity among the farmers at the present time is not the result of any lack of effort on their part. There is no place in the world today where the labor of a man's hands appears to be so effective as in the better wheat-growing districts of Saskatchewan, and the amount of labor accomplished by a Saskatchewan wheat-grower is the wonder of farmers in European countries who have observed the results.

LABOR.

By the methods of farming adopted in Saskatchewan, a great deal of land is prepared for crop the season previously, and an immense amount of it can be seeded in the spring with very little labor.

When harvesting operations commence there is necessity for very much more labor than at other seasons of the year. With all the land suitable for grain-growing brought under cultivation, the surplus population required during the harvesting season will amount to at least 200,000 working men. It is very hard, without paying extraordinarily high wages, to get this kind of help for such a short time, which does not extend over two or three months. In fact it is becoming increasingly difficult to procure it even at the high prices paid. It is not easily available because of the fact, among other reasons, that at this season in a northern country all labor is very busily employed.

When their wheat is sold and the price fixed, the purchaser does not take into consideration the cost of producing it, because the farmers of Saskatchewan are then in competition with wheat farmers in various parts of the world. Wages in India only amount to a few cents a day for this class of labor. In the Argentine wages are far from being as high as in Canada. In fact, the cost of farm help in Canada is greater than in any other agricultural country in the world with which we have to compete for the sale of our products.

One of the problems, therefore, of Western Canada is that of labor, and how it is to be procured. It may be, during a period of strongly stimulated railway building, that this condition of affairs may be aggravated. Laboring men cannot, however, live on the proceeds of two or three months' work, and, in consequence, some well-devised plan must be adopted whereby employment shall be provided in the country for them during other seasons of the year. No doubt as the mineral and other resources of the Province are developed and large manufacturing industries built up this difficulty will vanish.

SOCIAL CONDITIONS.

Another problem Saskatchewan has to meet is that of providing congenial surroundings for its rural communities and better all-round social conditions for its farming population. It is not only necessary to get people on the land, but to keep them there afterwards. It is no use concealing the fact that, under present conditions, life on a Saskatchewan farm is far from a pleasant occupation. Much is being done to minimize this state of affairs by the building of roads, by the general introduction of telephones into the rural districts of the Province, and by many other advantages, but much still remains to be done, if the general tendency in every agricultural country for the young people to leave the farm is to be checked.

Time was not so very long ago, when in every rural community there was a little scene of activity; where the tailor, the blacksmith, the shoemaker, the wheelwright were grouped, and around which there was considerable social life. All this has gone forever. Clothing is now made either in immense factories in the Eastern cities, or else sweated out to foreign labor. Shoes are made in large factories; agricultural machinery is entirely made outside the Province, and in large centers of population, and so it is with practically all the necessities of modern agricultural life. The result is that nearly all the rural towns are languishing. This is universally true of almost all agricultural countries where manufacturing has not been promoted, and where nothing has arisen to take the place of the small mechanic and tradesman. The operation of this law of concentration of population in the large cities is now working to the disadvantage of all the smaller towns. In Manitoba, many of what were comparatively large and ambitious towns a few years ago are now becoming depopulated. Property has decreased in value, and there is a consequent desire on the part of their leading citizens to gravitate to the larger centers.

This has had a very bad effect on the rural communities of which these towns were, to some extent, the social centers. Congenial society has departed. The farmers' families are being deprived of the social life which they were used to. They are consequently drawn by the lure of the cities, and, there is an abnormal development in larger centers of population. The desire for agriculture is diminishing.

Some method must be devised to counteract this tendency. Farm life must be made attractive, or else the same influence which has operated to the decrease in the farming population of the older provinces of Canada will become operative in Saskatchewan as well. This Province is essentially an agricultural country, and it must be so for many years to come. It is absolutely necessary that the best of its population should be, as at present, engaged in agriculture; that the farms should attract the best people, the most capable of its young men and women. The question is, how best is this to be done?

The agricultural colleges are doing much to educate young men and women up to the idea that farming is more than mere drudgery; that it is a business requiring brains and intelligence to develop the best results, and that while it has drawbacks, it has charms which are not to be found in industrial pursuits which necessitate indoor occupation. They are, furthermore, creating in the minds of rural home-makers of Saskatchewan a taste for tree-planting, for gardening, and for the general beautification of their homes. The policy of the Provincial and Dominion governments in still further extending the scope of the experimental stations and making them more generally distributed, is one which cannot fail to be productive of much good; but there still remains the fact that under the present state of affairs the rural towns, as prosperous centers of both social and business life, appear to be having a hard struggle for existence. How is this condition to be changed?

It is possible to build up a system of small manufactures all over the Province, as soon as the farming community gets from under the load of debt which must, of necessity, be incident to a new farming country. There will soon be an accumulation of savings. With a proper system of co-operation and organization these savings might be utilized for the purpose of providing capital for small manufacturing industries, which may eventually grow larger. There is no reason why the towns in Saskatchewan should not be manufacturing towns as well as those of Ontario. It will not be very long before we shall have a surplus population from the farms which will, of necessity, want to select other employments than that of farming. This is always the case. In no farm home, where there are half a dozen boys and girls, is it likely that more than half of them will select farming as their occupation. There is, consequently, available labor of the very best quality for the purpose. This is why it is that some of the finest manufacturing industries in the world have grown up in what were formerly purely agricultural districts. It is particularly true in the states of Illinois and Wisconsin. The city of Elgin, Illinois, built up its reputation as a dairy and butter centre, and by a system such as I have outlined, one of the largest watch factories in the world has been developed there, procuring its labor largely from the adjacent farming community. Another large watch factory is in a town not very far distant, Rockford. A great agricultural implement industry is also established there. In fact, there is scarcely a town in that whole region which has not some active and prosperous concern. This, of course, makes it more congenial for the farming communities in which these towns are situated. They make a local market for the produce of the farms. Most of the farmers are able to have automobiles. Good permanent roads are being built. The consequence is that there has grown up a well rounded-out, agricultural, industrial, commercial and social life.

The same condition of affairs is found in Wisconsin, and Minne-

sofa as well; and where these conditions do not apply the towns are languishing, the people are leaving, homes are for sale, the streets are growing grass, and they, consequently, have lost their attraction as social centers for the farming population immediately surrounding them.

It would seem as though a good agricultural country would be an ideal place for manufacturing, for here the cost of living should be less than in a country such as New England, for instance, where the food of the people has to be brought long distances. Some years ago the best market the farmers of the Maritime Provinces had was in the larger manufacturing districts of New England. A traveller in Europe and in the United States cannot but help observing a tendency for manufacturing to move out into rural communities where the laboring people can get an acre of land, where they can build their own cottage and have gardens, often a cow and poultry, to provide employment for the leisure hours which the laboring man has been able to secure for himself through organization. The natural protection in a country such as Western Canada, with its excessively high freight rates, would seem to make it possible to start in a very short time, with every prospect of success, a great many industries. It would not appear either that the most desirable places would be in the present cities, because of the fact that by land booms, etc., the cost of the acre of land that the laboring man would require is, in most cities, sufficiently great at the present time, to not only buy an acre of land but put up a comfortable cottage as well.

One of the industries, which would appear to be most desirable in Saskatchewan at the present time, is the flax-fibre industry. The Province has abundantly demonstrated its ability to grow flax. With a well thought out scheme of immigration, a colony of flax growers should be brought from Europe, either from Belgium or Ireland, and started in flax-fibre growing. As the production increased the fibre should be manufactured in the Province, if possible, under a co-operative system. Then a colony of sugar-beet-growers should be brought from Northern Europe, Russia, Germany, and other places, where the population has been trained to this method of agriculture for generations and refineries started. With the introduction of sheep into the Province, which is bound to become very general in the near future, there should be woollen factories for the making of blankets and all kinds of woollen cloths and fabrics. With organization the farmers could have factories for making a great many implements they use on the farm. It may not be possible at the start to make the more complicated machinery, such as binders, etc., but harrows and plows, packers, discs, farm wagons, etc., ought to be made in the Province profitably both for the capital and labor interested, and to the benefit of the farmer as well. How is it that practically all the biscuits are imported from outside. Surely there is room for two or three biscuit factories in this Prov-

inee. This is a very light article, occupying large space in a car, and the freight rates are, consequently, very high. There is room for tanneries and boot and shoe factories, as well as harness factories.

The inexhaustible brick and pottery clay deposits of the Province, particularly in the dirt hills, should be developed and utilized so that the people, as soon as they can afford it, may be able to build permanent houses at the minimum of expense. The reports of the officials of the Geological Department at Ottawa have shown that there is an abundance of good clays for practically every purpose, including brick, tile, sewer pipe, crockery ware, fire bricks, and sanitary ware, ornamental and other terra cotta, if not all the higher grades of pottery ware, in these districts, and with an abundance of cheap fuel lying almost side by side. The development of these clays should be begun at once, and if necessary, encouraged by the Government if not with money aid at least with experiments to demonstrate the best method of utilizing these products. Nothing would add to the permanence of settlement as much as buildings of brick, and especially in a province such as this where there is very little forest. Lumber has to be brought long distances and is charged for at enormous prices, and cheap clay products would be a tremendous boon to the people both in the cities and rural districts.

The labor that is employed in the manufacture of these articles in different parts of the world is restive at the present time, and would welcome a change to conditions where the operator could own his home, and get the benefit of the conditions which ought to prevail in a new country, where food ought to be cheaper than in the larger centers of population.

It should be the constant aim of all having the best interests of the Province at heart to see that all kinds of food products that the Province is capable of producing shall be made available; and that no policy that would take away from the laboring man his inherent right to cheap land for his home and garden shall be allowed to obtain.

The Province of Saskatchewan, fortunately for itself, is well provided with coal, though, perhaps, not of the very best quality. It is estimated by the Geological Survey of Canada that there are 20 billion tons of lignite coal in Southern Saskatchewan. This coal was unquestionably intended by nature to supply the prairie adjacent to it with fuel. It is just as rich in carbon as a large proportion of the coal on which the industrial life of Germany depends. Many methods have been tried for its successful utilization both for power and domestic purposes. One of the first duties of the Government of Saskatchewan is to see that this coal is immediately made available for the purposes of the farmers, so that they shall be provided with cheap fuel, and in addition to this, that it shall be utilized for the purpose of creating power at the pit's mouth and distributing it over the Province, in the same manner as has been done by the

Government of Ontario with the power from the Niagara Falls. It seems a terrible economic waste to be hauling coal thousands of miles when it is available at our very doors.

POINTS ON FINANCE

There are a great many people at present who are not satisfied to make a competence by ordinary methods. Wholesale houses in the Western Provinces must, it seems, make as much money in five years, as they would in twenty in Eastern Canada. In this country the spirit of giving value for services rendered does not prevail to as great an extent as it should. The general principle appears to be to give as little and get as much as possible. People receive their education in this from the railway companies, the banks, the wholesale houses, and conditions all round. This spirit is in the air, and, necessarily, the farmers suffer. Everyone who gets something and gives nothing for it, does so at the expense of the man who must, of necessity, give something and get nothing, or very little in return.

The high rate of interest charged in Western Canada by the branch banks and loan companies is another method of taking from the farmers something that they have earned. The banks in Western Canada pay the same rate of interest as the Eastern Canadian banks. It is safe to say that the Western farmers who must, of necessity, borrow from the banks in Western Canada, pay at least one-third more interest for money than do the farmers in the East.

The Canadian Banking Act is not framed for the purposes of the farmers. It rather contemplates dealing with traders and favors the interests of the banks. It does not provide for Government inspection. It allows banks to come and go, to consolidate, to monopolize, to charge exorbitant rates, and combine with each other for this purpose, to multiply unnecessarily fine dwellings in cities, to hide the profits they earn, and generally to carry out the theory of modern business, which is, give little and get much. The farmers of Western Canada should certainly be well-represented in Ottawa next winter when the Banking Act is being amended. In the Canadian Constitution all matters of Banking come within the jurisdiction of the Federal authority. It is very doubtful if this is altogether a wise arrangement, except for the banks.

The State banks in the United States, which are quite as important as the National banks, are compelled, in a great many cases, to lend their money in such a way that the farmers may receive the benefit of it. Practically the whole of the savings of the people are loaned in this way. In Canada there is nothing to prevent the savings of factory operators, farmers, and others being invested in Mexico, the United States, South America, or anywhere else. It is generally known that this is done.

The writer knows of no country where the principle industry therein is not provided for in the country's finance.

As has been pointed out, the bulk of the produce which will be grown in the Prairie Provinces during the next decade will be wheat,

oats, flax and barley; and, later on, beef, pork, mutton, etc., will be raised. With such a large proportion of the country agricultural there will, of necessity, be a very limited demand for those prime articles of production here. They will, therefore, have to be sold in the world's markets under the keenest competition, and where they will have to be transported very long distances. Living, in the very nature of things, must be very high in the Canadian North West. On account of the cold winters, houses have to be built in a very expensive way, warm clothing has to be provided, large sums have to be spent on fuel, and the farmer and his family must have practically two outfits of clothing, which is not even necessary in such agricultural States as Iowa, and not necessary at all in a great many other countries where the products with which he has to compete are grown. Cattle and horses have to be stabled for many months, and this, of itself, adds largely to the cost of production.

For these reasons, it is very necessary that the farmer should have every possible facility afforded him that Government can provide with safety to itself, and without injuring its credit. It is absurd that a Saskatchewan farmer, with apparently as good security as any in the world, should have to pay 8 per cent. as a minimum for the money which he finds it necessary to borrow, in view of the fact that the Province is able to borrow money itself for its purposes at little over 4 per cent., as are the railways with the Government guarantee back of them. This practically shows what the community can do as a whole compared with any individual member of it, and it would appear that the solution of the problem of cheap money has to be worked out along lines of a combination of the credit of the organized community with that of the individual borrower. The idea of cheap money for agricultural purposes is one that has been taken up by many countries. The farmer in New Zealand borrows money for his purposes on the credit of his holdings at from 4 to 4 $\frac{3}{4}$ per cent., according to the amount and term of the loan, and the promptness with which the interest is paid, there being a small bonus for payment of interest when due. In Ireland, the agriculturist is loaned money for the purpose of increasing his holdings, and getting the necessary stock and implements for working same at an even lower rate. By a system of co-operation in Germany, the agriculturist is able to procure money for his purposes at the minimum rate of interest prevailing. A system of cheap money has been adopted for the benefit of the fellah in Egypt instead of his having to pay the usurious rates demanded by the local money-lenders previously. The United States, in connection with its State banking system, has provided means whereby large sums of money are only available for loaning on first mortgages on improved farm property, and still there is complaint among a great many agriculturists in many States that they are unable to procure the capital necessary for their operations at a sufficiently cheap rate.

The excessive law costs which, without any apparent necessity, are imposed on the farmers in Western Canada are unknown there. Six dollars is the maximum amount of law costs allowed to be placed against a loan, and it is very hard to see what excuse there is in Western Canada, with the operation of the Torrens system, for such large alleged legal expenses in connection with the procuring of a loan. In fact they are not legal expenses at all. The work in connection with a loan in Western Canada is so simple that an ordinary stenographer or clerk can do it so that it can be passed on to the District Registrar, and yet there is scarcely a loan which goes through for \$1,000 that has not attached to it an expense of \$50 for legal fees, which is usually collected by a lawyer who employs a number of clerks for doing the work.

It would appear that the most effective way of loaning this money would be through the local municipalities, who would have men as their secretaries trained for the purpose, and appoint appraisers. The necessity for cheap money is as great as roads, and if it is competent for local organizations or municipalities to form themselves together for the purpose of building roads and schools, etc., there is no reason why the same organization should not be used for the purpose of providing money on the credit of the community for the benefit of its members. In fact, it is hard to see why this combination could not be utilized for better selling and better buying all round, but that, of course, can only be done with thorough organization. Debentures of the municipality could be issued, and, together with the mortgages that have been taken as security for the money advanced, should be passed on to the provincial authority, which would endorse them, and place them on the market where they could be sold at a price which would enable borrowers to receive money at the minimum rate. A certain charge might be made for administration—say one-half of 1 per cent., so that the cost of it would not fall on the non-borrower in the municipality.

Objection might be raised to this scheme that it would introduce politics into municipal affairs, that only those would be elected councillors who would be disposed to give over-generous loans, but that objection already applies in connection with the building of roads and other municipal undertakings. There is no scheme that can possibly be devised that objections cannot be made to it. It has this advantage, however, that, to a certain extent, every member of the community is loaning his credit when a loan is made to his neighbor, and he is naturally anxious to see that the loan is not an improvident one.

MARKETS.

Sufficient attention is not being paid to the marketing of our wheat crop. It would seem that without very much encouragement most of the level prairie in the Western Provinces, will be

brought under cultivation within the next fifteen years, and, if this is done, the quantity of grain—of wheat, flax, oats, and barley—that these Provinces will have to sell will be greater than that taken by all the importing countries at present. Undoubtedly the tendency in all the older agricultural countries will be to replace wheat with other food products that can be grown with more profit and not stand transportation for long distances as well. But even then the best salesmanship will be necessary to market our grain properly.

The following are the importing countries and the amounts of wheat they each take, and it is to those that we will have to look for a market for our grain in the future:—

(Imports of wheat by different countries for the year 1910-1911.)

	Bushels
Greece	4,490,000
Italy	48,955,000
Japan	778,000
Netherlands	59,924,000
Portugal	3,898,000
Spain	3,529,000
Sweden	7,070,000
Switzerland	14,699,000
United Kingdom	182,999,000
Austria Hungary	26,976,000
Belgium	70,921,000
Brazil	9,551,000
Denmark	3,496,000
France	5,248,000
Germany	89,400,000
Other countries	9,309,000
	<hr/> 541,243,000

Under a Reciprocity Treaty with the United States we could sell that country a very large amount of wheat as their exporters are more skillful salesmen than ours, and a large amount of their grain is grown close to the seapoard, which can be exported at very much lower land freight charges than ours. In ordinary years the United States would be a large importer of our hard wheat for mixing purposes. Owing to the abnormally large crop of wheat in the North Western states this year, grain will likely go to an export price, for a while at least.

OUR RELATIONS WITH THE FEDERAL GOVERNMENT.

One of the most serious problems that the people of Saskatchewan will have to meet in the near future is that of the readjustment of their relations with the Federal Government. When the Confederation was formed, the Constitution of Canada was written with the object of uniting Upper and Lower Canada. There were racial problems to contend against. They were jealous of each other,

and the difficulty in bringing them together was such as to appear almost insurmountable. This state of affairs together with the necessity of bringing in the Maritime Provinces, and, later, British Columbia, were the problems the founders of the Confederation had to meet, and the British North America Act was the compromise hit upon as the solution of the many difficulties that the statesmen of that time had to contend against; but, needless to say, the Canadian Constitution is 'altogether unsuited' to the present conditions in Canada, and it would be impossible to form a Confederation on the basis of the British North America Act at the present time with the provinces disunited. The Prairie Provinces would not tolerate being treated differently than the other provinces. In place of the land which these potential Provinces contained being treated as a trust for the benefit of the people, it was used for an altogether different purpose, treated as an asset of the Dominion of Canada for exploitation and for the purpose of the Dominion as a whole, rather than for the benefit of the people who would eventually occupy it; and have to build up civilization and institutions in the new Provinces as they were populated. Millions of acres of the best land were given for constructing the Canadian Pacific Railway, not necessarily for building across the prairies, for construction was then cheap and easy, and the returns were certain, but for the purpose of carrying out the terms of Confederation, and building through mountains and wilderness. Later on land was granted for building railways in other provinces and for making branch lines. Even within ten years, land in Saskatchewan was given for the purpose of constructing a railway in Ontario. The Governments of the Western Provinces have had to take care of a large population in an incredibly short time; roads, of necessity had to be made, as well as permanent bridges across the large rivers, the school system had to be developed on modern lines, higher education had to be provided for, universities with their very expensive establishments had to be created, the administration of justice had to be taken care of, the health of the people had to be looked after, and for this purpose hospitals had to be built, and these not on the standards adopted in Eastern Canada where facilities were provided in its period of growth, but under the most exacting requirements of modern civilization. In fact, at almost every point where Government touches the people of Western Canada, it had to be provided by the Provincial authorities and out of Provincial revenue.

If one looks over all the Departments of the Dominion Government, it will be found to how small an extent they have contributed towards the governmental welfare of the people of the Western Provinces. The Department of Railways and Canals has had charge of the railway problems of Saskatchewan. The result of its supervision is that railway facilities are altogether inadequate. The products which the farmer raises at such great expense for labor and material have been

inadequately taken care of, and when, after long waiting, the farmer had his grain hauled to market, he was charged freight rates very much higher than in Eastern Canada, although the cost of hauling the same by the railways was less, as has been shown by their own statements, and which common sense and experience should teach any thoughtful man was the case. All the goods that the people of Western Canada consume are transported at a rate quite double what Eastern Canada has to pay for a like service, and there is no concealing the fact that, so far as the treatment of the Western Provinces at the hands of the Department of Railways and Canals is concerned, they have had a very unsatisfactory deal. It has been necessary to pledge the Provincial credit to provide much of even the scant railway accommodation which we have. It can scarcely be said that the Customs Department provides any material benefit for the people of the Western Provinces, nor the Inland Revenue Department. The Department of Justice appoints judges and pays for them. But nearly all the other cost of administering the laws of both the Dominion and Provinces has to be borne out of local revenues. It is true that we have been given a very efficient force in the North West Mounted Police, which has contributed in a very marked degree to the preservation of order during the early settlement of what are now the North West Provinces, and even at the present time. The Department of the Interior has spent money in bringing people into Western Canada, and in getting settlers on the free lands, but with the distinct understanding that it shall take care of the whole immigration problem. This has not been done efficiently as has been shown. The other Provinces of the Dominion, that have their natural resources, are now participating in the benefits of the expenditure of the Department of the Interior to quite as great an extent as the Western Provinces, which were deprived of theirs. In fact, the immigration to Ontario at the present time and for the last two years has been greater than to the vast, undeveloped Provinces of Saskatchewan or Alberta. The Public Works Department has not spent, since the country was opened up, anything like as large an amount of money in the Canadian North West as in the other Provinces. The same is true of the Department of Marine and Fisheries, for obvious reasons. The Department of Trade and Commerce is scurrying over the world with its agents trying to find markets for manufactures, but has done practically nothing to popularize the wheat of the Canadian North West in the markets of the world, notwithstanding that wheat is the most important article of export in Canada. The Postal Department has endeavored to provide the West with postal facilities, and has been fairly successful in doing so, but it cannot be said that they should receive credit for this, because of the fact that the people of the West have paid the full price for them. Nor is the postal service up to the standard as yet of other countries, nor as good as in the United States in districts at the same stage of development. This applies to the rural districts and to the

cities as well. The people of the West have to thank the Dominion Government for animal quarantine, and thanks to the capable officers of the department and the mounted police, this has been very well done up to the present, but in many cases with great hardship to the settlers. Now when we come to the Finance Department we find that the Banking system of Canada has been developed almost entirely in the interests of the banks. They are able under the Banking Act to issue paper money, which is practically the same as the "wild cat" currency, which was so vehemently denounced in the United States, and have given no consideration to the public in return. The United States Banking system provides for state banks that absorb a large proportion, over half, of the savings of the people. These savings are compelled in many States to be loaned to the citizens of those States, and on real estate security, which has resulted in cheap money for the farmers. In fact, Canada is the only enlightened country in the world where its banking system has made little or no provision for taking care of agriculture—the most important industry in the country. It is an anomaly that a merchant can borrow money on his trade assets cheaper than the farmer who has the basic value of the country to offer, and it is only one of the hardships of the governmental functions that come within the scope of the Finance Department which has operated in the past, and even at the present time, so much to the disadvantage of the Western Prairie Provinces. Take the question of the tariff. The Government of Canada has adopted the very wasteful process of getting the larger part of its revenue by means of customs tariff. It is expensive in the first place to collect. But every dollar so collected is added by the importer to the cost of his goods, and his profit of, say, 25 per cent. is then exacted. The retailer also charges his profit of 40 per cent. on the wholesaler's price, so that in place of the 25 per cent. duty he rarely pays less than 40 per cent. duty by this method, and very often 50. This is wasteful and onerous, but it is not the worst feature of it. The Eastern Canadian manufacturer takes advantage of this condition of affairs and fixes his price accordingly, and by superior selling organization is able to sell his goods at the price of the imported article with the full amount of the duty and profits added, so that in the cost of a great many articles it is not only the question of price that is paid and the duty, and the profit on the duty, but likewise a like price on all Canadian-made goods, the added price of which does not go to the benefit of the Government at all, but to the benefit of the manufacturer, and the consumer has to pay the price; and usually labor receives no greater wages than is paid abroad, although Protection is avowedly for labor. In some lines of goods such as agricultural machinery, the prices paid by the Western Canadian farmer cannot even be made up by this method of computation, because on some articles the farmers now living on the prairie pay nearly double the cost that they paid for the same article when they lived in Iowa or Illinois. This is notably true of threshing-separators. Now while this

condition of affairs applies generally all over the country, it works with peculiar hardship on the Western Canadian farmer. When he sells his produce he is in competition with the world. He has to harvest his grain at high pressure during a season of the year when labor is most completely employed, and when it is scarce, and he has to pay the very highest price for it. He has to pay the highest charges for transportation, very much in excess of his competitors, and send it to tidewater over the longest distance, and then compete in the markets of Europe with wheat from India that is grown by labor that does not receive more than a tenth of what he pays, and wheat from the Argentine which is produced at about one-half the labor cost.

When the Australian Confederation was formed, the State of Western Australia was in much the same position as Western Canada is at the present time. It had its own tariff against the manufactures of New South Wales, and Victoria. Under the new arrangement the Federal authority has the collection of all customs duties. But in the distribution of the Federal revenue Western Australia receives very much more favorable terms than do the other States.

As a matter of fact, the amount received by Western Australia out of the Federal revenues for this reason amounts to nearly as great a sum per head of population as the whole per capita amount received by Saskatchewan, and this during a time when the Federal authority has collected in customs taxes an amount one-third greater than is necessary to carry on the current business of the country, apparently at the demand of the protected industries.

If statistics were kept of the inter-provincial trade in Canada it would be shown that the present fiscal arrangement works in such a way that a proportion, very much larger than their share, of the revenue of Canada is collected from the Western Provinces. So far as the benefits of Protection itself are concerned the Western Canadian Provinces receive practically none for the reasons just pointed out and for others.

In a short time the West will want to build up manufactures of its own. It will have to meet the same condition of affairs that Eastern Canada had to when the National Policy was formed. It will have to protect itself in some way against the manufacturers of Eastern Canada as well as the world, because they have become prosperous under Protection and having organization and large capital, they will have the same desire to slaughter their goods in this market as the American and European manufacturers had during the building up of the industries in Eastern Canada. This problem, however, must be faced. A country does not need to be lacking in agriculture to have manufacturing industries, the reverse is the case, and a large amount of the goods that will be consumed in Western Canada must be manufactured here. Some scheme must be devised which will afford relief in this direction. It can scarcely be a change in the imposition of customs duties because that must, of necessity, be done by the Federal authority, but by a system

of bonusing until local manufactures are able to get on a more equal basis with the more highly organized industries in the East. They will have, it is true, a certain protection in freight rates, but there will be a tendency on the part of the railways to minimize this. This has always been the case. There must be a readjustment of the terms before the people of the West will be satisfied, and before the Constitution of Canada will have passed through the acid test of experience and meet with the approval of the Western Canadian people, which will provide them with a much larger revenue for the provincial governments. The Western Canadian people will have to be compensated for the land which has been taken from them for Federal purposes, and for the very much larger taxes which are paid pro rata per head of population by the Western Canadian people. The British North America Act has never been assented to by the people of Western Canada in an election where it was the main issue. It has to a certain extent been thrust upon them, and this is repugnant to the idea of responsible democratic government. As it is the Western Canadian Provinces have to carry on their operations with a revenue altogether inadequate for their needs and ridiculously less than other communities with a no more exacting population or with the necessity of providing a more efficient service of government for its people. If the present fiscal arrangement is to be maintained in Canada a very much larger share of the revenue received must, of necessity, be given to the Western Provinces, which should have as much to spend on public highways as the total revenue at the present time. The huge surpluses which are being accumulated in Ottawa on account of the prosperity which has come to Canada by virtue of the development of the West, must be divided amongst the Provinces and not on a per capita basis, but on a principle determined by the amount of contribution by each province to that revenue. If it is necessary, and it seems to be, that the Dominion Government shall contribute large sums for the defense of its borders and shores and to the general defense of the Empire, it should not be done by the imposition of customs duties, which taxes the necessities of the people, and where the millionaire pays very little more than the working man towards the revenue. It would be the very essence of unvisdom and unfairness to add to the burdens of the people for defense, and to let go scott free those who have accumulated fortunes by the development of the natural resources of the country and by their ability to annex to themselves a share of the unearned increment.

The authority having charge of the development of Western Canada, whether Federal or Local, shall never have performed its full duty until it has conserved and developed the resources of the Provinces to their fullest possible extent, until it has brought people to their waste places, until it has made available their watercourses for navigation, until there are flocks and herds on all their hillsides and valleys, until a very large amount of the goods consumed within

their borders shall be produced therein, until their educational facilities shall be of the best, until their cities, towns and villages, shall be provided to the greatest possible extent with all the sanitary requirements of modern civilization, until their people shall be trained to an efficiency unexcelled by any other community whether in the old world or in the new, until inequalities and unfairness shall be swept away, and, when this is accomplished, Saskatchewan with its resources of fertile land, coal, clay, timber and many minerals shall contain a population comensurate with its great latent undeveloped area, and its people shall receive to the highest possible extent the complete reward of the labor of their brains and hands.

